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SUBJECT: Afghanistan: Building Cell Towers and Developing Telecom
Capacity and Fiber Optic Infrastructure

REF: 08 Kabul 2020

11. (SBU) Summary: Minister of Telecommunications and Information Technology Amir Sangin said he supports ISAF plans to locate cellular phone towers on U.S. Forward Operating Bases (FOBs), and thinks state-owned Afghan Telecom should own the towers, renting space to other service providers. He complained USAID road subcontractors cut a portion of new fiber optic cable in Afghanistan which links the country to Pakistan, but set out suggestions for avoiding future occurrences. He requested USG technical assistance in developing the ability to market fiber optic services. Sangin reiterated support for a risk insurance fund for cellular operators and said earlier plans to privatize Afghan Telecom are on hold for at least three years given the current security situation and global financial crisis. Discussing other aspects of his portfolio, Minister Sangin noted the need for outside help in developing Afghanistan's postal service -- which he said now reaches all provinces regularly except Helmand and Nuristan -- and instituting a national identity card plan for which he hopes the U.S. will provide initial financing. Embassy's Interagency Telecommunications Working Group is working to support the increased cell phone towers, aspects of the fiber optic cable issue, and ways to provide advisors to Afghan Telecom. Embassy will follow up on assistance requests working with USAID in concert with ISAF and others. End Summary.

Towers on FOBs: Good Idea, But Who Will Own Them?

12. (SBU) Minister of Telecommunications and Information Technology Amir Sangin told Coordinating Director for Development and Economic Affairs, Amb. E. Anthony Wayne, September 17 he has not had frequent discussions with ISAF regarding plans to locate cellular phone towers on U.S. Forward Operating Bases. His understanding of the state of play of talks between ISAF and Afghanistan is that ISAF is considering providing state-owned Afghan Telecom with cellular infrastructure, but allowing commercial providers to rent space on the towers. Ambassador Wayne said the USG is working to ensure commercial providers have opportunities to use the towers. (Note: ISAF plans to lease towers-on-wheels from a private contractor. The cellular provider will likely be a U.S. company operating on Afghan Telecom infrastructure. Once the towers are operational, commercial providers also may be able to place their equipment on them. End note.)

13. (SBU) Sangin said any plan should designate ownership of the towers to ensure routine maintenance. He said Afghan Telecom ownership would be "a good start," but private telecoms should have space for their own infrastructure and pay rent to Afghan Telecom. He agrees with the idea discussed in earlier conversations with visiting State officials that television and radio providers be allowed to mount equipment on towers and added that community radio stations should not be charged for this service. Sangin suggested working with Afghan Telecom would be simpler than ISAF negotiating

directly with multiple telecoms and would expedite tower construction and operation. (Note: ISAF plans to lease the towers will prevent clear ownership in the short-term. Both Embassy and ISAF will work with the Ministry and Afghan Telecom to develop an agreed way forward. End Note.)

Risk Insurance Still a Option -----

¶4. (SBU) In response to a query from Ambassador Wayne, Sangin said the Ministry still supports risk insurance to help rebuild towers destroyed by insurgent attacks. However, as he has said before, the Telecommunications Development Fund (TDF), which is intended to support service expansion to underserved areas, cannot be the sole source of funding -- private operators must also pay a premium. Minister Sangin suggested one-half of one percent of revenue would be sufficient. This step, Sangin continued, would allow use of the national TDF for a program that would mainly benefit the south of Afghanistan and would demonstrate the Afghan Government is not simply subsidizing profitable telecoms companies, which will help avoid criticism from a Parliament which perceives the companies make large profits.

Afghan Telecom: No Privatization, For Now -----

¶5. (SBU) After an unsuccessful 2008 tender process, Afghan Telecom will not be privatized for at least three years, Sangin said. The current security situation scares off many potential attractive investors, while others cannot obtain capital due to the global financial situation. As many prospective buyers are Russian, Sangin said future heavy usage by ISAF and Afghan military customers makes

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him hesitant to sell Afghan Telecom for data security reasons. He also cited concern that the leading companies interested in buying Afghan Telecom are Russian. Still, to prepare for privatization, the Ministry will add new features such as d-cell broadband and expand the copper cable network.

Fiber Optic Cable Not in Service Everywhere -----

¶6. (SBU) Sangin outlined multiple setbacks in building a nationwide fiber optic cable, which physically connects to networks in Uzbekistan, Tajikistan, and Pakistan, as well as Iran. The Uzbek network operator refuses to agree on a contracted price for network traffic and is demanding a three fold increase, thus the connection may not be operational by October 1 as planned. Sangin said this situation underscores the urgency for Afghanistan to develop multiple connections to international networks.

¶7. (SBU) The Minister also noted a USAID road contractor accidentally cut the cable near the Pakistani border, severing the network's connection to Pakistan a few days after it was completed. Sangin said the Ministry of Public Works was not aware of the USG's plan to build a road near the cable and had not warned the contractor laying the cable. Ambassador Wayne said USAID met three times with the Deputy Minister and provided the cable contractor with road design drawings. The Afghan Ministry's contractor has not provided USAID with drawings of the cable location or the coordinates of the cut, as requested. USAID issued a stop-work order along a 27 kilometer section of the road to ensure the cable is not cut again. It has offered to dig trenches for the cable along the roads it is constructing. Sangin said the cable contractor had provided the necessary information to the USAID road contractor, and suggested it had not been shared with USAID management. (Note: We will follow up with the contractor to ensure he received this information. End note.)

¶8. (SBU) Despite construction challenges, Sangin seeks donors to support an additional cable from Kabul to western Afghanistan crossing through the central part of the country. The additional line would create a double loop in the country, helping ensure continued service even if the cable was cut in other places. Its

construction would also mean economic benefits in some of the poorest, least developed parts of Afghanistan. Ambassador Wayne said he would discuss the idea within the Mission and with ISAF and evaluate its compatibility with other projects.

¶9. (SBU) Ambassador Wayne added the Embassy and USFOR-A are both interested in commercially leasing cable space, but Afghan Telecom, which owns the cable, lacks capacity to negotiate commercial arrangements. USFOR-A has offered to provide an advisory team to Afghan Telecom to help it negotiate commercial agreements. Sangin found the idea attractive, noting the Ministry needs an expert to negotiate international and commercial agreements, but also thought over the longer term an advisor supported by USAID or a U.S. civilian agency would avoid a conflict of interest with the military, which is likely to be the largest customer for Afghan Telecom in the near term. (Comment: Embassy will work with USFOR-A as well as others to follow up on these items. In addition, the Embassy Telecom Working Group, which encompasses civilian and military representatives, is examining the various options for placing mobile towers on FOBs and strengthening Afghan telecommunications capability. End comment.)

Moving on a National Identity Card, Other Projects

¶10. (SBU) The European Commission has expressed support for a computerized national identity card program, Sangin said, as an anti-fraud tool in future elections. He sees value in the idea, even if it may take a number of years to include every Afghan. Such a system, which would store information in a national computer system, would undercut individuals' current ability to buy new identity cards. Sangin will present this proposal to an upcoming Joint Coordination and Monitoring Board meeting. Ambassador Wayne suggested relevant Ministry staff meet with USAID experts for advice and help develop a list of potential donors. Sangin said the plan will cost \$15 million in the first year and \$10 to \$15 million per year for two additional years. He suggested individuals should pay a fee and the receipts be used to lower the cost of the program. He made it clear he hopes the U.S. will help fund the start up of this project.

¶10. (U) Sangin added that France's La Poste has developed a plan to modernize and restore the Afghan postal service that will also be

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presented to donors for funding.

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